

## REMARKS

Applicants respectfully request further examination and reconsideration in view of the above amendments. Claims 1-20 remain pending in the case. Claims 1-20 are rejected. Claims 1, 9, 11, and 16 are amended herein. No new matter has been added.

### Claim Objections

Claims 1 and 9 are objected to because the body of the claims does not appear to the Examiner to perform the intended use recited in the preambles. In light of present amendments to Claims 1 and 9 which add further detail, Applicants respectfully submit that these objections are overcome. Applicants respectfully submit that one of ordinary skill in the art at the time of the invention would understand that the elements recited in Claims 1 and 9 could be used for forecasting, as claimed.

Claims 1 and 9 are objected to because they do not positively recite that the financial instruments are *traded*, but rather that they are *tradable*. Claims 1, 9, and 16 have been amended to recite that the financial instruments are *traded*. Accordingly, Applicants respectfully submit that these objections are overcome.

### Claim Rejections

#### 35 U.S.C. §101

Claims 1 and 16 are rejected as not tangible. Specifically the Rejection indicates that it is not clear from the claims what occurs with the results of the query after they are aggregated or with the benchmark comparisons after they are made. Claim 1 has been amended herein to recite, "aggregating results of said query process with adjustments for said participant characteristics to produce an aggregated probability

projection associated with said uncertain situation” (emphasis added). Applicants submit that one of skill in the art at the time would find that the aggregated query of Claim 1 produces a tangible and useful result. Claim 16 has been amended herein to recite, “comparing said new predictive aggregation formula to said prediction bench mark to determine if said new predictive aggregation formula is providing beneficial information” (emphasis added). Applicants submit that one of skill in the art at the time of the invention would find that the comparisons to the prediction benchmark of Claim 16 produce a tangible and useful result. Accordingly Applicants submit that Claims 1 - 8 and 16-20 are allowable over the 35 U.S.C. §101.

Claims 1, 9, and 16 are rejected under 35 U.S.C. §101 as lacking patentable utility. Elements of these claims have been amended to indicate more fully how limitations of the respective Claims interrelate to one another and to the claimed processes and system. Applicants respectfully submit that one of skill in the art at the time of the invention would find the processes of Claims 1 and 16 and the system of Claim 9 to provide utility. Accordingly, Applicants submit that Claims 1-20 are allowable over the 35 U.S.C. §101.

35 U.S.C. §112, second paragraph

Claims 1 - 20 are rejected under 35 U.S.C. §112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claims 1 and 9 are rejected because the Examiner asserts it is not readily apparent how the limitation “performing a query process” is related to running an information market. The Examiner also asserts that it is not readily apparent what the

adjustments are that are made while aggregating results of the query process or what the adjustments are or why they are made. Applicants have amended Claims 1 and 9 herein to recite “extracting participant characteristics through an analysis of results of trading of said financial instruments; performing a query process including posing a predictive query to said participants and gathering results of said predictive query, said predictive query about a probability of a future outcome occurrence associated with an uncertain situation; and aggregating results of said query process with adjustments for said participant characteristics to produce an aggregated probability projection associated with said uncertain situation” (emphasis added). Support for this amendment can be found in the present specification at least at page 9, line 22 - page 10, line 21; and page 11, line 16 - page 12, line 2. Applicants submit it is apparent from the limitations how “performing a query process” is related to running an information market. Likewise, Applicants submit it is apparent from the limitations the types of adjustments that are that may be made while aggregating results of the query process and additionally why they are made. Therefore, Applicants respectfully submit that Claims 1 and 9 overcome the rejection under 35 U.S.C. §112, second paragraph.

Claim 16 is rejected because the Examiner asserts it is not readily apparent how the limitation “developing a new predictive aggregation formula with adjustments for personal characteristics” is related to implementing an experimental information market. The Examiner also asserts that it is not readily apparent what the different aggregation mechanisms are and why they are compared to a benchmark. Applicants have amended Claim 16 to recite “developing a new predictive aggregation formula with adjustments for personal characteristics of said participants, said personal characteristics extracted through an analysis of results of trading of said financial instruments; creating a prediction benchmark representative of a perfect information

market aggregation mechanism; defining a measure to compare said new predictive aggregation formula with said benchmark; and comparing said new predictive aggregation formula to said prediction bench mark to determine if said new predictive aggregation formula is providing beneficial information" (emphasis added). Support for this amendment can be found in the present specification at least at page 9, line 22 - page 10, line 13; and page 19, line 12 through page 23 line 19. Applicants submit it is apparent from the limitations how "developing a new predictive aggregation formula with adjustments for personal characteristics" is related to implementing an experimental information market. Similarly, Applicants submit it is apparent what an aggregation formula is and why it is compared to a benchmark. Therefore, Applicants respectfully submit that Claim 16 overcomes the rejection under 35 U.S.C. §112, second paragraph.

Claim 8 is rejected because the Examiner asserts that it is not clear what event or action the "potential outcome", recited in Claim 8, is being assigned to. Further, Examiner asserts it is not clear what assigning an outcome has to do with trading financial instruments. Applicants have amended Claim 1 herein to recite "performing a query process including posing a predictive query to said participants and gathering results of said predictive query, said predictive query about a probability of a future outcome occurrence associated with an uncertain situation" (emphasis added). Applicants respectfully submit that based on this amendment to Claim 1, the meaning of "a potential outcome", as recited in Claim 8, is clear, and that further, based on this amendment the relevance of a potential outcome predicted by a participant in a financial market is also clear. Therefore, Applicants respectfully submit that Claim 8 overcomes the rejection under 35 U.S.C. §112, second paragraph..

Claim 11 is rejected because the Examiner asserts that it is not clear what the participants are predicting, as Claim 9, from which Claim 11 depends mentions nothing about receiving predictions for anything. Applicants have amended Claim 11 herein to recite “establishing a mechanism for permitting participants to interact in said information market” (emphasis added). Therefore, Applicants respectfully submit that Claim 11 as amended herein overcomes the rejection under 35 U.S.C. §112, second paragraph.

35 U.S.C. §102(e)

Claims 1-20 are rejected under 35 U.S.C. §102(e) as being anticipated by United States Patent Number 6,606,615 by Jennings et al., hereinafter referred to as the “Jennings” reference. Applicants have reviewed the cited reference and respectfully submit that the embodiments of the present invention as recited in Claims 1-20 are not anticipated by the Jennings reference in view of the following rationale.

Applicants respectfully direct the Examiner to independent Claim 1 that recites that an embodiment of the present invention is directed to (emphasis added):

A forecasting process comprising:  
running an information market including an artificial market in which financial instruments are utilized, wherein said financial instruments are traded by participants in said information market;  
extracting participant characteristics through an analysis of results of trading of said financial instruments;  
performing a query process including posing a predictive query to said participants and gathering results of said predictive query, said predictive query about a probability of a future outcome occurrence associated with an uncertain situation; and  
aggregating results of said query process with adjustments for said participant characteristics to produce an aggregated probability projection associated with said uncertain situation.

Independent Claims 9 and 16 recite similar limitations. Claims 2-8 that depend from independent Claim 1, Claims 10-15 that depend from independent Claim 9, and Claims 17-20 that depend from independent Claim 16 provide further recitations of the features of the present invention.

Applicants respectfully assert that Jennings and the claimed invention are very different. Applicants understand the Jennings reference to teach a method and system for running a forecasting contest. Jennings teaches that “participants are permitted to submit predictions of values projected at plural different time points, for at least one of server predesignated variables.” (Abstract). Specifically “the participants receive an overall ranking based on their relative accuracies (e.g., percentile rankings) in individual prediction events” (Abstract).

Applicants understand the Jennings reference to teach a system whereby users predict the outcome of a variable at some future time (col. 17, lines 51-64). In particular, the system of Jennings does not provide for users participating in a market event, but rather only predicting the outcome of a future event. Accordingly, Applicants respectfully submit that the Jennings reference does not teach, describe or suggest “running an information market including an artificial market in which financial instruments are utilized, wherein said financial instruments are traded by participants in said information market”, as claimed (emphasis added). In other words, while the system of Jennings may allow users to predict the future price of a stock, the system of the Jennings does not provide a market for trading a financial instrument linked to that stock.

Moreover, Applicants understand the Jennings reference to teach the receipt of user provided personal characteristics as part of a registration process (see at least col. 17, lines 18-39) and receipt of user provided uncertainty estimates as part of the prediction process (see at least col. 24, lines 36-43). In particular, neither the personal characteristics nor the uncertainty estimates are extracted. Rather, the personal characteristics and uncertainty estimates are simply received as provided by a user. Therefore, Applicants respectfully submit that the Jennings reference does not teach, describe or suggest “extracting participant characteristics through an analysis of results of trading of said financial instruments”, as claimed (emphasis added).

Therefore, Applicants respectfully assert that nowhere does the Jennings reference teach, disclose or suggest the claimed embodiments of the present invention as recited in independent Claims 1, 9 and 16, that these claims overcome the rejection under 35 U.S.C. § 102(e), and that these claims are thus in a condition for allowance. Therefore, Applicants respectfully submit the Jennings reference also does not teach or suggest the additional claimed features of the present invention as recited in Claims 2-8 that depend from independent Claim 1, Claims 10-15 that depend on independent Claim 9, and Claims 17-20 that depend on independent Claim 16. Therefore, Applicants respectfully submit that Claims 2-8, 10-15 and 17-20 also overcome the rejection under 35 U.S.C. § 102(e), and are in a condition for allowance as being dependent on an allowable base claim.

Moreover, Claim 20 recites the limitation “using the Kullback-Leibler measure” (emphasis added). Applicants have reviewed the cited reference and are unable to locate any teaching of the use of the Kullback-Leibler measure. Therefore, Applicants respectfully assert that nowhere does the Jennings reference teach, disclose or

suggest the claimed embodiment of the present invention as recited in independent Claim 20, that this claim overcomes the rejection under 35 U.S.C. § 102(e), and that Claim 20 is thus in a condition for allowance.

### CONCLUSION

In light of the above remarks, Applicants respectfully request reconsideration of the rejected claims. Based on the arguments presented above, Applicants respectfully assert that Claims 1-20 overcome the rejections of record and, therefore, Applicants respectfully solicit allowance of these Claims.

The Examiner is invited to contact Applicants' undersigned representative if the Examiner believes such action would expedite resolution of the present Application.

Respectfully submitted,

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